

Managing Enterprise Risk Management



2016 Director's
Regulatory Summit

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Panelists

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Moderated by:
Leslie Nehring, Missouri DIFP



DIFP
Department of Insurance,
Financial Institutions &
Professional Registration

Lessons Learned from 2008 Financial Crisis

- Insurance Companies in a Holding Company System can be Significantly Impacted from Non-Regulated or Non-Insurance Entities
- Improvement Needed in International Relationships, Coordination, and Communication of Financial Issues
- Need for Assessing Enterprise Risk within a Holding Company System and its Impact on Insurers within the Group



Enterprise Risk Report (Form F)

- Revisions were made to NAIC Models #440 and #450
- New Regulatory Filing – Enterprise Risk Report
 - Confidential Report on Enterprise Risk
 - Capture Material Developments in Strategy, Risk Management, Litigation, etc., affecting the Insurance Holding Company System



Comparison of Form F and ORSA Reporting Requirements

	Form F	ORSA
Purpose	Identify material risks within the insurance holding company system that could pose enterprise risk to the insurer.	Group-level perspective on risk and capital, as a supplement to the existing legal entity view.
Reporting Level	Ultimate Controlling Person/Entity	Domestic insurer, but may apply insurer or insurance group
Exemptions	None in the NAIC Model	Annual direct and unaffiliated assumed premium less than: <ul style="list-style-type: none">• \$500 million for an insurer• \$1 billion for an insurance group



Comparison of Form F and ORSA Reporting Requirements

	Form F	ORSA
Key Information to be Reported	<p>Developments in Holding Company's:</p> <ul style="list-style-type: none">• Strategy/Business Plan• Risk Management• Acquisition/Disposal of Insurance Entities• Change in Shareholders• Capital and Distributions• Corporate or Parental Guarantees• Litigation or Regulatory Actions• Other Material Activity	<p>Description of Insurer's Risk Management Framework</p> <p>Insurer's Assessment of Risk Exposure</p> <p>Group Assessment of Risk Capital and Prospective Solvency Assessment</p>



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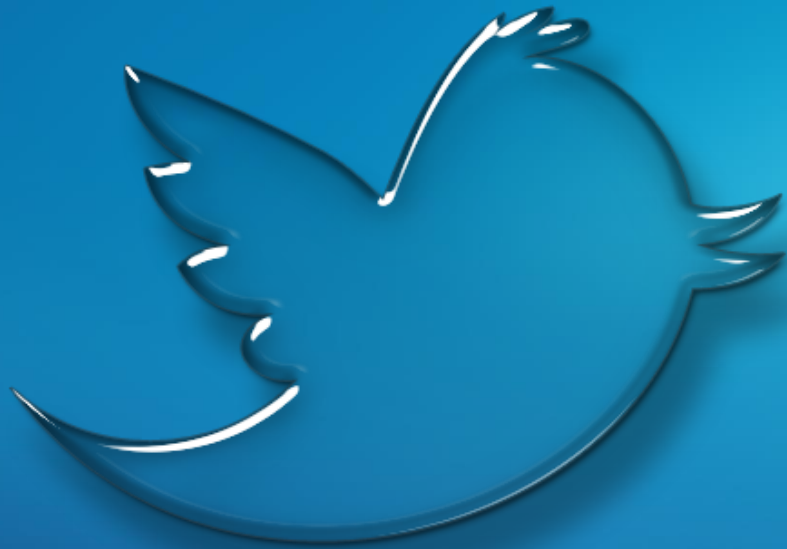


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Any
questions



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